

EXHIBIT A



330404

SIMPLIFIED ISSUE APPLICATION

Proposed Insured <u>Bobbie J. Hughes</u> Address <u>4401 Avenue K</u> City <u>Birmingham</u> State <u>AL</u> Zip <u>35208</u> Social Security Number <u>Redacted</u> Birth Date <u>Redacted</u> Age <u>44</u> Birth State <u>AL</u> Sex <u>F</u> Marital Status <u>D</u> Occupation <u>Physical Therapist Asst.</u> Height <u>5'4"</u> Weight <u>170</u> Phone: Day <u>(205) 888-0316</u> Evening <u>(205) 780-9775</u>						Complete only if Owner is not Proposed Insured Owner _____ Relationship _____ Birth Date _____ Address _____ City _____ State _____ Zip _____ Social Security/Tax I.D. No. _____																																									
INSURANCE APPLIED FOR Plan <u>AD LIFE</u> <input checked="" type="checkbox"/> Nonsmoker <input type="checkbox"/> Option 1 <input type="checkbox"/> 15 <input type="checkbox"/> 16-20 <input type="checkbox"/> 21-25 <input type="checkbox"/> 26-30 Specified/Insurance Amount \$ <u>50,000</u> <input type="checkbox"/> Smoker <input checked="" type="checkbox"/> Option 2 <input type="checkbox"/> Moneyback <input type="checkbox"/> Without Moneyback HOME GUARD Only - Years																																															
RIDERS <input type="checkbox"/> Other Insured Person Rider <input type="checkbox"/> LTC <input type="checkbox"/> Accidental Death \$ _____ <input checked="" type="checkbox"/> Child Rider <u>10,000</u> <input type="checkbox"/> Waiver of Monthly Deduction <input type="checkbox"/> Total Disability/MPP \$ _____ <input type="checkbox"/> Insured Term Rider <input type="checkbox"/> Waiver of Premium <input type="checkbox"/> Other _____ <input type="checkbox"/> ACO <input type="checkbox"/> Other _____																																															
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Name of Other Insureds</th> <th>Birth Date</th> <th>Sex</th> <th>Height/Weight</th> <th>Smoker/Non smoker</th> <th>Social Security Number</th> <th>Relationship To Insured</th> <th>Amount Applied For</th> </tr> </thead> <tbody> <tr> <td><u>Antonio T. Hughes</u></td> <td><u>Redacted</u></td> <td><u>M</u></td> <td><u>5'6"/130</u></td> <td><u>N</u></td> <td><u>Redacted</u></td> <td><u>Son</u></td> <td><u>10,000</u></td> </tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> </tbody> </table>								Name of Other Insureds	Birth Date	Sex	Height/Weight	Smoker/Non smoker	Social Security Number	Relationship To Insured	Amount Applied For	<u>Antonio T. Hughes</u>	<u>Redacted</u>	<u>M</u>	<u>5'6"/130</u>	<u>N</u>	<u>Redacted</u>	<u>Son</u>	<u>10,000</u>																								
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PREMIUM <u>Bank draft</u> Mode <u>Monthly</u> Billing <u>Amount \$</u> <u>95.00</u> 1935 <u>Sum \$</u> _____ Lump <u>Sum \$</u> _____ Amt. Paid \$ <u>95.00</u> Send premium notices to: <input type="checkbox"/> Proposed Insured <input type="checkbox"/> Owner <input type="checkbox"/> Other (give name/address in Special Requests)																																															
BENEFICIARY OF THE PROPOSED INSURED (If split, please indicate percentages) <u>Redacted</u> Primary <u>Charma L. Hughes & Antonio Hughes</u> Birth Date <u>Redacted</u> Relationship <u>Children</u> Contingent <u>50%</u> <u>50%</u> Birth Date _____ Relationship _____ The beneficiary of other persons proposed for coverage will be the proposed insured, unless otherwise indicated.																																															
Does any person to be covered have any insurance in force or application pending? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (Details Below) Will this application replace or change any life insurance or annuity policies? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (Details Below)																																															
Special Requests: _____ _____ _____						Home Office Use Only: _____ _____ _____																																									

COMPLETE THE FOLLOWING

Yes No

1. Within the last 10 years (7 years for residents of Maryland), have you or any other person to be covered been diagnosed or treated by a member of the medical profession for high blood pressure, heart, lung, kidney, or liver disease, diabetes, cancer or tumor, colon problems, back or spinal disorder, nervous disorder, alcohol or drug dependency, or immune system disorder? ☐ Yes ☒ No
2. Within the past 5 years, have you or any other person to be covered:
- a. Been hospitalized or treated by a member of the medical profession? ☒ Yes ☐ No
 - b. Consulted a physician or had any medication prescribed? ☒ Yes ☐ No
 - c. Engaged in or intend to engage in aviation activities or sports including stock or sports car, drag strip or motorcycle racing, scuba or sky diving, or been convicted of a felony? ☐ Yes ☒ No
3. Have you or any person to be covered smoked cigarettes in the past 12 months? ☐ Yes ☒ No

Please give complete details below if you answered "yes" to any of the above questions.

Quest No.	Name of Person	Details (Name of condition, date of onset, duration, current treatment and condition, etc.)	Complete Names, Addresses and Phone Numbers of Attending Physicians and Hospitals
2	Bobbie	9/23/96 5/96 - Redacted Corrected - taking Sarg. Glucotrol - Dr. Said probably taking off medication in 3 months as everything seems to now be controlled by diet & exercise	Dr. Patricia Lockhart / UAB Russell Ambulatory Ctr. (205) 944-7689 1813 6th Avenue South Birmingham, AL 35233

BANK AUTHORIZATION

☒ I authorize Inter State Assurance Company to apply monthly payments from my account on the 25 day of each month. (include a void check) ☐ Checking Account ☐ Savings Account ☒ Credit Union

AGREEMENT AND AUTHORIZATION

The Proposed Insured(s) represent(s) to the best of his/her knowledge and belief that all statements and answers contained in this application, and any supplements required by the Company, are complete and true. He/She expressly agrees that any insurance approved by Inter-State Assurance Company for issuance as a result of this application shall be considered in force only when a policy has been issued by Inter-State Assurance Company and said policy delivered to and accepted by the Owner and the first modal premium paid thereon, during the lifetime and continued insurability of the Proposed Insured(s), as stated in the application.

(We hereby authorize any licensed physician, hospital, clinic or other medical or medically related facility, insurance company or the Medical Information Bureau, that has any records or knowledge of me or my family or our health, to give Inter-State Assurance Company or its reinsurers any such information and records pertaining to medical, psychiatric, drug use or alcohol use history. A copy of this authorization shall be considered as valid as the original and either shall be valid for a period of two years. (We acknowledge receipt of the Medical Information Bureau Pre-notification and Investigative Consumer Report Pre-notification. If a premium payment is being submitted with this application, (We acknowledge receipt of the Conditional Receipt. In return, (We have read and agree to its terms.

I hereby declare this application was solicited and executed at Birmingham, AL on 9-25 1996 (city, state) (date)

Signature of Proposed Insured: Bobbie Hughes Signature of Owner (if Owner is not Proposed Insured):

Signature of Spouse: Signature of Additional Insured(s) 18 or older:

AGENT CERTIFICATION

(1) I have asked the questions contained in this application of the Proposed Insured and Owner and duly recorded the answers. (2) to the best of my knowledge there is nothing adversely affecting the insurability of any persons proposed for insurance except as stated in this application. (3) if the initial premium is as shown with the application, I have remitted it to the Company and delivered a Conditional Receipt to the Owner. (4) if Disclosure Statements are required by the state, I have given them to the applicant.

(5) To the best of my knowledge, this application ☐ does replace existing life insurance ☒ does not

Signature of Agent: Jerry Gubert Date: 9-25-96 Agent Number: 8V-031 Phone: (205) 969-2022

XS B41



Life Insurance Policy

This is a legal contract - - read it carefully

We promise

to pay the death benefits to the beneficiary on death of the insured, subject to the terms of this policy. We promise to pay the cash value to the owner if the insured is living on the maturity date.

Look at the application forms

This policy is based on the answers in the application forms (see copies in back). If all answers are not true and complete, the policy may be affected.

Right to Cancel

You may cancel this policy by delivering or mailing a written notice or sending a telegram to Inter-State Assurance Company, 1206 Mulberry, Des Moines, Iowa 50309, and returning the policy or contract to us or our agent before midnight of the 20th day after the date you receive it. Notice given by mail and return of the policy or contract by mail are effective on being postmarked, properly addressed and postage prepaid. We must return all payments made for this policy within 10 days after we receive notice of cancellation of the returned policy.

Flexible Premium Adjustable Life Insurance

Cash Value, if any, payable at maturity

Death Benefit payable at death prior to Maturity Date

Adjustable Death Benefit

Flexible premium payments payable during Insured's lifetime to Maturity Date

Non-participating

A stylized, handwritten signature in black ink, likely belonging to the President of the company.

President

A handwritten signature in black ink, likely belonging to the Secretary of the company.

Secretary

Inter-State Assurance Company / A Stock Company / 1206 Mulberry/Des Moines, Iowa 50309

GUIDE TO YOUR POLICY

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IN THIS POLICY -

YOU or YOUR means the owner of the policy, as shown on the initial application, unless changed.

WE, OUR or US means Inter-State Assurance Company.

INSURED means the Insured named on the schedule. The Insured person may or may not be the Owner.

SCHEDULE means the Policy Schedule or the Supplemental Policy Schedule most recently sent to you by us.

ANNUAL DATE means the same date each year as the policy effective date.

MONTHLY DATE means the same day of each month as the annual date.

NOTICE TO US means information we have received at our Home Office which is written, signed by you and is acceptable to us.

PROOF means reasonable evidence for proof of death, insurability or for other matters which require proof.

NET PREMIUM means the total premium paid reduced by the premium payment expense charge percentage, if any.

MINIMUM RISK AMOUNT means the amount of insurance required in order to be qualified as life insurance under any applicable law or regulation.

AMOUNT OF INSURANCE means specified amount or benefit amount as shown in the schedule.

EXCESS INTEREST means that interest which exceeds the guaranteed rate of interest being applied to the accumulated value.

This is an adjustable life insurance policy. We will pay the Death Benefit if the Insured dies while the policy is in force, subject to the terms of this policy. We will pay the Cash Value to the Owner if the Insured is alive on the Maturity Date.

Premiums are payable during the lifetime of the Insured to the Maturity Date.

Your rights while the Insured is living:

- Right to change the specified amount;
- Right to change the premium payment pattern;
- Right to assign the policy;
- Right to change the Owner or Beneficiary, except if the Beneficiary is named as being irrevocable;
- Right to terminate the policy;
- Right to make loans;
- Right to make withdrawals.

DEATH BENEFIT

Subject to the provisions of the policy, the Death Benefit at any time prior to the maturity date will be either Option 1 or Option 2.

We will pay as soon as we receive proof of the insured's death while this policy was in force, and not later than two months after receipt of this proof.

When the benefit is paid in one lump sum, we will include interest from the date of death to the payment date. The rate of interest will be that required by law, but not less than 4 1/2% per year.

The payment will include:

- the specified amount in force at the date of death;
- the accumulated value at the time of death if not included in the specified amount.
(Refer to the schedule.)

We will subtract:

- any loan;
- any cash withdrawal amounts;
- any premium needed as set forth in the Grace Period section.

BENEFIT OPTIONS

Option 1

The accumulated value is included in the specified amount. The total Death Benefit will be the greater of the specified amount or the accumulated value times the Death Benefit percentage as shown in the Policy Schedule.

Option 2

The accumulated value is not included in the specified amount. The total Death Benefit will be the specified amount plus the accumulated value at the time of death and it will always exceed the accumulated value times the Death Benefit percentage as shown in the Policy Schedule.

DEATH BENEFIT CHANGES

You may change any Death Benefit by notice to us after the first policy year. A change will be effective on the monthly date following our receipt of the request.

- Any reduction will be in the following order:
 1. against the most recent increase in insurance;
 2. against the next most recent increases;
 3. against Death Benefit provided by the Covered Insured Term Insurance Rider, if any;
 4. against the initial specified amount.
- Any increase will require proof of insurability. An approved increase will be shown on a supplemental policy schedule.
- The specified amount may be changed to include the accumulated value by notice to us.
- The specified amount may be changed to exclude the accumulated value by notice to us. In such case, the specified amount will be reduced so that the Death Benefit is not increased as of the date of change.
- The specified amount after any requested change must not be less than the minimum specified amount stated in the schedule.

HOW THE FUNDS ARE PAID

The Death Benefit can be paid:

- in one lump sum; or
- in any way you and we agree. Options include life annuities and deposits of funds.

Before the Insured dies, you can choose how the Death Benefit is to be paid. If you have not made a choice before the Insured dies, the Beneficiary can choose how the Death Benefit is to be paid. Death Benefits left on deposit with us will earn interest at an effective annual rate not less than 4 1/2%.

PREMIUM, CONTINUATION OF INSURANCE, GUARANTEED COVERAGE PERIOD, GRACE PERIOD, TERMINATION AND REINSTATEMENT

PREMIUM

The initial premium is the amount paid on or before delivery of this policy. You may make other premium payments:

- at any time, but not more than once each month.
- for any amount \$25 or more but not more than any maximum amount we may set.

The planned periodic premium is stated in the Policy Schedule. You may change the amount of planned periodic premium and the frequency of premium payment.

We will send premium notices if you request. They can be sent each 3, 6 or 12 months at the premium rate then in effect on this policy. Premium payments may be made to our Home Office or to one of our agents. Receipts will be furnished upon request.

PREMIUM LIMITATION

We will limit the amount of premium paid so that this policy will continue to be qualified as a life insurance policy under any applicable law or regulation. Any excess premium will be refunded to you unless an annuity rider is attached to this policy. In such event, any excess premium will be paid into the annuity rider.

CONTINUATION OF INSURANCE

Insurance under this policy and any benefits provided by riders will continue without payment of premiums if the Cash Value less any indebtedness is large enough to cover the monthly deduction for the next month.

GUARANTEED COVERAGE PERIOD

During the first 2 policy years we guarantee that your insurance will continue if the accumulated premiums that have been paid since the policy effective date equal or exceed the sum of the following:

- the minimum monthly premium times the number of months since the policy effective date, plus the current loan balance, if any, plus
- the cash withdrawals since the policy date, if any.

MINIMUM MONTHLY PREMIUM

During the first two policy years, the minimum monthly premium will be the sum of (1) plus (2) divided by 24:

1. the first two policy years cost of insurance.
2. the second year surrender charge shown on page 2B.

GRACE PERIOD

Starting on the monthly date when the Cash Value less any loan is less than the monthly deduction for the policy month to follow, a Grace Period of 61 days will be given for the payment of enough premium to cover the monthly deduction.

The Cash Value and monthly deductions are described in the Cash Value section.

If the premium is not paid within the Grace Period, all insurance stops. If the Insured dies during the Grace Period, the Death Benefit will be paid but reduced by the past due monthly deductions. However, the insurance will not stop during the guaranteed coverage period if the guaranteed coverage period conditions are met.

TERMINATION

The policy will terminate and all insurance will stop:

- on the first monthly date after you request it by notice to us;
- when the Insured dies;
- when a needed premium is not received before the end of its Grace Period except during the guaranteed coverage period; or
- on the Maturity Date.

REINSTATEMENT

Unless this policy has been surrendered, you may put this policy back in force by notice to us if:

- the Insured gives us satisfactory proof of insurability;
- we receive payment of enough premium to keep the policy in force for two months;
- interest on any loan is paid at the rate of 6% annual interest from the date insurance stopped; and
- we receive notice of your request to reinstate within five years of the date the coverage stopped, and prior to the Maturity Date.

POLICY VALUES

ACCUMULATED VALUE

The accumulated value will be calculated on each monthly date as follows:

1. the accumulated value on the prior monthly date; plus
2. one month's interest on the accumulated value; plus
3. any net premium for the policy received since the prior monthly date; less
4. the monthly deduction; less
5. one month's interest on the monthly deduction.

On any day between monthly dates the accumulated value will be calculated as above, adjusted to reflect the time elapsed since the prior monthly date.

The accumulated value on the effective date of this policy is the initial net premium for the policy.

MONTHLY DEDUCTION

The monthly deduction for Cost of Insurance is due on each monthly date and is the sum of the following:

- the Cost of Insurance and the cost for any policy riders; and
- the monthly policy charge, if any.

INTEREST RATE

The guaranteed rate to be applied to the accumulated value is 0.36748% per month, compounded monthly (same as 4 1/2% compounded yearly). An interest rate exceeding the guaranteed rate can be used at our option. We will not use an excess rate on that part of any accumulated value which equals any loan.

COST OF INSURANCE

If the specified amount includes the accumulated value and the specified amount has been increased, the accumulated value will first be considered as part of the initial specified amount. If the accumulated value is greater than the initial specified amount, it will be part of any additional specified amounts in the order of the increases.

The schedule shows whether the accumulated value is included in the specified amount.

- If the specified amount is the Death Benefit and it includes the accumulated value, the cost is (1) times the result of (2) less (3), divided by 1,000.
 1. the Cost of Insurance rate;
 2. the specified amount divided by 1.0036748;
 3. the accumulated value at the beginning of the policy month.
- If the specified amount includes the accumulated value, and the Death Benefit is the accumulated value plus the minimum risk amount, the cost is (1) times the result of (2) less (3), divided by 1,000.
 1. the Cost of Insurance rate;
 2. the result of dividing the sum of (3) and the minimum amount by 1.0036748;
 3. the accumulated value at the beginning of the policy month.
- If the specified amount does not include the accumulated value, the cost is (1) times the result of (2) less (3), divided by 1,000.
 1. the Cost of Insurance rate;
 2. the result of dividing the sum of (3) and the specified amount by 1.0036748;
 3. the accumulated value at the beginning of the policy month.

The monthly cost of insurance rate is based on the sex, age and rating class of the person insured. The rates may be changed by us from time to time. Any such change will apply to all persons of the same attained age, sex and rating class and for whose policies have been in effect for the same length of time. The Cost of Insurance rates will not exceed those shown in the Table of Monthly Guaranteed Cost of Insurance Rates. The monthly cost of insurance rates are based on the 1980 Commissioners' Standard Ordinary Mortality Table, age last birthday.

CASH VALUE

The cash value as of any date is equal to:

- the accumulated value; less
- any surrender charge.

SURRENDER VALUE

The surrender value on any date is equal to:

- the cash value; less
- any outstanding loan; plus
- any unearned loan interest.

SURRENDER

You may surrender your policy for the surrender value by giving notice to us. It may be surrendered at any time during the lifetime of the Insured. Any surrender value available within 30 days after any monthly date will not be less than the value on such monthly date. We have the right to wait up to six months to pay. If payment is deferred, any required interest will be paid at the rate specified by law.

SURRENDER CHARGE

A surrender charge will be made during the first 20 years that any specified amount has been in force. The surrender charge will be 100% of the excess interest applied to the accumulated value during the 12-month period immediately preceding the policy surrender plus the amount shown in the Table of Surrender Charges of the Policy Schedule.

CASH WITHDRAWALS

You may make cash withdrawals from the surrender value at any time after the first policy year, but not more than once each policy year.

The maximum amount available is subject to the minimum specified amount of your policy, but may not exceed 50% of the surrender value for any one cash withdrawal.

The minimum withdrawal amount is \$100.

The withdrawal amount will reduce the Death Benefit of the Insured. A \$25 fee will be charged for each withdrawal. We may wait to pay up to six months after we receive notice, except for a withdrawal to pay premiums on policies in force with us.

No surrender charge will apply to cash withdrawals.

BASIS OF COMPUTATIONS

Minimum cash values, nonforfeiture benefits and reserves for this policy are based on the Commissioners' 1980 Standard Mortality Table, Age Last Birthday, with interest at 4 1/2% compounded annually. The reserves will not be less than the surrender value. All of the values are the same or more than the minimums set by laws of the state where the application was signed. If required, we have filed a detailed statement about this with your state insurance department. It shows the figures and methods used.

LOANS

This policy may have a Cash Value. You may want to use the Cash Value. This may be done by a loan. This policy will be the sole security for the loan. The most we can loan is:

- the cash value; less
- loan interest in advance to the next annual date; less
- old loans and the interest on them.

You may ask for a loan at any time. Nothing else is required for the loan. We have the right to wait to make a loan up to six months after we receive notice, except for a loan to pay premiums on policies in force with us.

Loan interest is payable in advance. The rate of interest will not exceed an effective annual 6%. We will add interest to the loan on each annual date. A loan may be paid back in full or in part at any time. Failure to repay any loan or loan interest shall not void your policy until the total indebtedness equals or exceeds the surrender value.

GENERAL PROVISIONS

POLICY

These pages including the application are the whole policy. This policy is a legal contract and is issued in consideration of the application and the initial premium. Nothing else which has been said or put in writing is part of it unless it is attached. No one can change any part of this policy except the Owner and one of our officers. Both must agree to a change, and it must be in writing.

REPRESENTATIONS AND CONTESTABILITY

All statements made in an application by, or on behalf of, the Insured will, in the absence of fraud, be considered representations and not warranties. We cannot contest this policy after two years from the policy date during the lifetime of the Insured, nor can we contest any increased benefits later than two years after the application for such increased benefits.

We cannot contest the policy after the policy date unless:

- an answer in the application for the policy was not true or complete; and
- if we had known the truth, we would not have issued the policy.

No statement shall be used in defense of a claim under the policy unless it is contained in an application attached to the policy.

If this policy is delivered to the Owner in South Carolina, the validity of this policy will be incontestable after two years from the policy date.

Any contest relative to reinstatement will be limited to material misstatements in the application for reinstatement.

SUICIDE

For the first two years from the policy date (one year for policies delivered to the Owner in Colorado or North Dakota) we will not pay if the Insured commits suicide (while sane or insane). We will terminate the policy and give back the premiums paid to us less any loan and cash withdrawal amounts.

Suicide is no defense to payment of life insurance benefits, nor is suicide while insane a defense to payment of accidental death benefits, if any, under this policy where the policy is issued to a Missouri citizen, unless we can show that the Insured intended suicide when he applied for the policy.

CONFORMITY WITH LAWS

This policy is subject to the laws of the state where the application was signed. If part of it does not follow that law, it will be treated as if it does.

NON PARTICIPATING

This policy will not pay dividends. It will not participate in any of our surplus earnings.

AGE AND SEX

Age in this policy means age last birthday as of annual dates. If the Insured's age or sex has been misstated, we will adjust the policy values and Death Benefit to the amount which would be purchased by the most recent mortality charge at the correct age or sex.

ANNUAL REPORT

We will send you a report at least once each year. It will show:

- the current accumulated value;
- the current Cash Value;
- the current Death Benefit;
- any current policy loans; and
- activity since the last report:
 1. premium paid;
 2. interest credited;
 3. all expense charges;
 4. all withdrawals; and
 5. any loan activity.

BENEFICIARY

The Beneficiary named in the application will receive the proceeds upon death of the Insured unless the Beneficiary has been changed by the Owner. If more than one person is named as Beneficiary, the proceeds will be paid in equal shares to the surviving Beneficiaries, unless otherwise provided. If any Beneficiary dies before the Insured, that Beneficiary's interest will pass to any surviving Beneficiaries or Contingent Beneficiaries according to their respective interests. If no Beneficiary is living when the Insured dies, we will pay to your estate. No revocable Beneficiary has rights in the policy until an Insured dies. Any irrevocable Beneficiary cannot be changed without consent of the Beneficiary.

If any Beneficiary dies at the same time as or within 30 days after the Insured, and before we make any payments, we will pay as if that Beneficiary did not live as long as the Insured, unless we are told otherwise in writing. However, we will not be required to delay payment until 30 days after the Insured's death.

When Beneficiaries are not shown by name (such as 'children'), we may find who they are from sworn statements and not wait for court records.

The word 'child' means only a child born to or adopted by the Insured; it does not mean grandchild or stepchild.

You may change the Beneficiary at any time before the Insured dies by notice to us. Any change must be approved by us. If approved, it will take effect on the date the notice was signed by you. We will not be liable for any payments we make or actions we take before the change is approved.

ASSIGNMENT

You can assign this policy. We will not be responsible for the validity of an assignment. We will not be liable for any payments we make or actions we take before notice to us of an assignment. Payments to an Assignee will only be made in a lump sum.

OWNERSHIP

While the Insured lives, you have all the rights in this policy. If you die before the Insured, the Contingent Owner named in the application is the new Owner. If there is no Contingent Owner, then the Insured becomes the new Owner unless you tell us otherwise in writing.

A change of Owner may be made at any time by notice to us. It will take effect on the date notice is received by us. We will record the change. A change of Owner does not change the Beneficiary.

MATURITY DATE

This date is the annual date following the Insured's 95th birthday. On this date, we will pay any Cash Value then due you, less any policy loan and loan interest, and the policy will terminate.

ILLUSTRATIVE REPORT

Upon your request, an illustrative report of policy costs, values and benefits will be sent to you. However, we reserve the right to charge a reasonable fee for the report. (Maximum of \$25.)

ENDORSEMENT

The policy to which this endorsement is attached is amended as follows:

Monthly Minimum Premium. The Monthly Minimum Premium section of the policy is revised in its entirety to read as follows:

The minimum monthly premium is defined in the Policy Schedule of this policy.

Guaranteed Coverage Period. The Guaranteed Coverage Period of the policy shall be for five years rather than two years as specified on page 5.

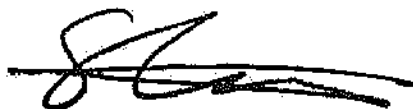
This section will not apply if the accumulated value of this policy ever becomes negative.

Surrender Charge. The Surrender Charge section of the policy is amended as follows:

The surrender charge will be made during the first 14 years that any specified amount has been in force, rather than 20 years as specified on page 8. The surrender charge will not include the excess interest charge specified on page 8.

Settlement Option Credit. If, after the policy has been continuously in force from the effective date for a period of ten years, the proceeds of the policy are applied to a payment option producing level periodic payments for at least ten years, 105% of such proceeds will be applied in determining the amount of the periodic payment. This Settlement Option Credit will not increase the surrender value of the policy.

Loans. The rate of interest will not exceed an effective annual rate of 6.5%, rather than 6% as specified on page 8. The loan interest rate is reduced to an annual rate of 4.5% (4.31% in advance) on that portion of the outstanding loan which is less than or equal to the Accumulated Value of the policy less the premiums paid for the policy. The loan interest rate on the remaining portion of the outstanding loan is annual rate of 6.5% (6.11% in advance).



President

Inter-State Assurance Company
Des Moines, Iowa

POLICY SCHEDULE

POLICY NUMBER 00330404
 EFFECTIVE DATE OCTOBER 14, 1996
 INSURED BOBBIE J HUGHES

AGE AND SEX 44 FEMALE
 RATE CLASS NONSMOKER

INITIAL SPECIFIED AMOUNT \$50,000.00
 DEATH BENEFIT OPTION 2
 (NON-LEVEL DEATH BENEFIT)
 MINIMUM SPECIFIED AMOUNT \$10,000
 MATURITY DATE OCTOBER 14, 2047
 FIRST YEAR PREMIUM EXPECTED \$1,140.00
 INITIAL PREMIUM RECEIVED \$95.00
 PLANNED PERIODIC PREMIUM \$95.00
 MINIMUM MONTHLY PREMIUM \$53.57 PRE-AUTH CHECK
 (FIRST 5 YEARS)

PREMIUM PAYMENT EXPENSE CHARGE 3.00%

MONTHLY POLICY CHARGE \$ 3.50

WITHDRAWAL CHARGE \$ 25.00

GUARANTEED INTEREST RATE 4.50%

MAXIMUM POLICY LOAN RATE 6.50%

OTHER BENEFITS

FORM NUMB	EFFECTIVE DATE	BENEFIT TITLE	BENEFIT AMOUNT	MONTHLY COST OF BENEFIT *
443	OCTOBER 14, 1996	CHILD RIDER	\$10,000	\$5.00
440	OCTOBER 14, 1996	TOTAL DISABILITY (WP)	\$54	\$3.32

* Monthly cost of benefit changes each year. See Cost of Insurance section.

Coverage may expire prior to the maturity date if no premiums are paid after the initial premium, or if planned premiums, credited interest and policy guarantees are insufficient to continue coverage to such date, as shown on your annual report. Coverage may also be affected by a change in current values.

End of Year	GUARANTEED VALUES*				CURRENT VALUES*		
	Annual Payment	Accum Value	Surr Value	Death Benefit	Accum Value	Surr Value	Death Benefit
1	1140	840	0	50840	864	0	50864
2	1140	1706	766	51706	1771	830	51771
3	1140	2599	1708	52599	2724	1833	52724
4	1140	3525	2684	53525	3733	2892	53733
5	1140	4481	3699	54481	4795	4003	54795
6	1140	5462	4720	55462	5906	5164	55906
7	1140	6475	5782	56475	7084	6391	57084
8	1140	7515	6871	57515	8319	7676	58319
9	1140	8583	7989	58583	9615	9021	59615
10	1140	9675	9180	59675	10970	10475	60970
11	1140	10798	10402	60798	12401	12005	62401
12	1140	11947	11650	61947	13899	13602	63899
13	1140	13123	12925	63123	15475	15277	65475
14	1140	14328	14229	64328	17129	17030	67129
15	1140	15568	15568	65568	18870	18870	68870
16	1140	16834	16834	66834	20700	20700	70700
17	1140	18167	18167	68167	22658	22658	72658
18	1140	19524	19524	69524	24711	24711	74711
19	1140	20899	20899	70899	26854	26854	76854
20	1140	22274	22274	72274	29079	29079	79079
21	1140	23644	23644	73644	31391	31391	81391
22	1140	25009	25009	75009	33790	33790	83790
23	1140	26362	26362	76362	36275	36275	86275
24	1140	27703	27703	77703	38852	38852	88852
25	1140	29030	29030	79030	41527	41527	91527
AGE 60	1140	16834	16834	66834	20700	20700	70700
AGE 65	1140	23644	23644	73644	31391	31391	81391
AGE 70	1140	30332	30332	80332	44293	44293	94293

* Guaranteed and current values are calculated based on premiums shown.

IMPORTANT NOTICE: The projected values above may vary due to changes in interest and mortality rates and the frequency, timing and amount of your premiums. Read your policy and policy illustration carefully. This policy, as issued, may differ from the policy illustrated in a sales presentation. A new illustration reflecting this policy may be requested.

POLICY SCHEDULE - 2B

TABLE OF SURRENDER CHARGES
FOR INITIAL SPECIFIED AMOUNT

POLICY YEAR	SURRENDER CHARGE
1	\$990.00
2	\$940.50
3	\$891.00
4	\$841.50
5	\$792.00
6	\$742.50
7	\$693.00
8	\$643.50
9	\$594.00
10	\$495.00
11	\$396.00
12	\$297.00
13	\$198.00
14	\$99.00
15	\$0.00

POLICY NUMBER 00330404

BENEFIT COSTS

End Of Year	Guaranteed Payment	Guaranteed Death Benefit	Current Payment	Current Death Benefit
1	1040	50840	1040	50864
2	1040	51706	1040	51773
3	1040	52599	1040	52724
4	1040	53525	1040	53733
5	1040	54481	1040	54795
6	1040	55462	1040	55906
7	1040	56475	1040	57084
8	1040	57515	1040	58319
9	1040	58583	1040	59615
10	1040	59675	1040	60970
11	1040	60798	1040	62401
12	1040	61947	1040	63899
13	1040	63123	1040	65475
14	1040	64328	1040	67129
15	1040	65568	1040	68870
16	1040	66834	1040	70700
17	1080	68167	1080	72658
18	1080	69524	1080	74711
19	1080	70899	1080	76854
20	1080	72274	1080	79079

BENEFIT COST INDICES*

	Guaranteed Values	Current Values
Surrender Cost - 10 Year	6.31	4.48
Surrender Cost - 20 Year	6.85	3.43
Net Payment - 10 Year	19.02	18.87
Net Payment - 20 Year	17.74	17.26

* Explanation of the intended use of the cost indices is included in the LIFE INSURANCE BUYER'S GUIDE. Calculations are based on an interest rate of 5.00%.

GUIDELINE AND TAMRA PREMIUMS:

Guideline Single \$10,590 Guideline Annual \$1,730 7-pay \$2,261

LOAN AND WITHDRAWAL INFORMATION:

Policy loan interest rate is 6.5% on principal and 4.5% on policy gain.
The crediting rate is 4.5% for policy values impaired by loans. The charge for a partial withdrawal is \$25.

POLICY CHARGES INFORMATION

The percent of premium charge is 3.00%. There is a monthly policy charge of \$1.50.

INTEREST RATE INFORMATION:

Interest is credited to the policy monthly. The current annual crediting rate is 6.50% and the guaranteed annual crediting rate is 4.50%.

EFFECT OF CURRENT ASSUMPTIONS AND PLANNED PREMIUMS:

Based on current assumptions and future planned premiums, your policy will remain in force for 52 years and 6 months with no loans, withdrawals, or future increases.

Based on policy guarantees and future planned premiums, your policy will remain in force for 45 years and 6 months with no loans, withdrawals, or future increases.

Current values reflect current interest and cost of insurance rates that are not guaranteed. The accumulated value does not represent the amount available for loan or surrender. The tax status of this contract as it applies to the holder of this policy or contract should be reviewed each year.

COMPLIANCE

Projections have not been tested for compliance with Internal Revenue Code Section 7702 or the Technical and Miscellaneous Revenue Act of 1988. Refer to your policy illustration for details. A new illustration reflecting this policy may be requested.

STATEMENT OF POLICY COST AND BENEFIT INFORMATION

POLICY NUMBER: 00330404

INSURED: BOBBIE J HUGHES

PLAN OF INSURANCE: CHILD RIDER

AGE AND SEX: 44 FEMALE

POLICY YEAR	ANNUAL PREMIUM	DEATH BENEFIT
1	\$60.00	\$10,000
2	\$60.00	\$10,000
3	\$60.00	\$10,000
4	\$60.00	\$10,000
5	\$60.00	\$10,000
10	\$60.00	\$10,000
20	\$60.00	\$10,000

STATEMENT OF POLICY COST AND BENEFIT INFORMATION

ADDITIONAL BENEFITS

POLICY NUMBER: 00330404

INSURED: ROBBIE J HUGHES

PLAN OF INSURANCE: TOTAL DISABILITY (WP)

AGE & SEX: 44 FEMALE

POLICY YEAR	ANNUAL PREMIUM
1	\$39.92
2	\$39.92
3	\$39.92
4	\$39.92
5	\$39.92
10	\$39.92
20	\$39.92
	\$.00